



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 21, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **VILLA ESPERANZA CONTRACT REVIEW**

We have completed a review of Villa Esperanza (Villa), an Integrated Care Management Program service provider. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

Background

The Department of Community and Senior Services (DCSS) contracts with Villa, a private, non-profit, community-based organization, which provides services to seniors ages 60 and older, their spouses, and disabled residents, located in Service Planning Areas (SPAs) Two and Three. The types of services provided by Villa Esperanza include interviewing program participants to assess their cognitive, social, emotional, and medical needs and to develop care plans that identify and address those needs. Villa's office is located in the Fifth District.

DCSS pays Villa Esperanza a negotiated hourly rate of \$22 per hour for Intake Screening and \$40 per hour for all other types of services (i.e. In-Home Assessment, Care Plan, etc.). The negotiated hourly rates are based on the program costs and service hours that Villa Esperanza estimated in their proposal. For Fiscal Year 2002-03, DCSS paid Villa Esperanza approximately \$430,000.

Purpose/Methodology

The purpose of the review was to determine whether Villa was providing the services outlined in their Program Statement and County contract. We also evaluated Villa's ability to achieve planned levels of service and staffing. Our monitoring visit included a

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review of Villa's Annual Service Level Assessment report, billing statements, participant case files, personnel and payroll records, and interviews with Villa staff and program participants.

Results of Review

Villa uses qualified staff to perform the services, as required by their contract. In addition, the program participants stated that the services they received from Villa meet their expectations. For the first 7 months of Fiscal Year 2003-04, Villa achieved their targeted service levels.

However, Villa did not sufficiently document the services billed to DCSS, or provide services to program participants within the timeframes required by the County contract. We selected a sample of 1,276 hours (58%) of the 2,214 hours billed for the months of November through January 2003 and noted the following:

- Seven hundred twenty-two (57%) service hours that Villa billed DCSS were not supported with documentation. The client case files did not contain the required forms (i.e., Needs Assessment, Intake, etc.) to document Villa's provision of service. The undocumented amount billed totaled \$28,880.
- Villa is required to refer cases back to APS within 5 days of the referral date, in instances where the referrals refuse services or Villa is unable to contact them. For the 3 (27%) of the 11 APS case referrals reviewed, Villa retained the cases an average of 38 days beyond the date in which the cases should have been referred back to APS. Since APS referrals often involve individuals that need immediate attention, not referring the cases back to APS in a timely manner can impact the health and safety of the referrals.
- Villa is required to conduct home assessments for program participants within 5 days of receiving the cases. However, for 7 (27%) of the 26 cases reviewed, Villa completed their home assessments 6 working days beyond the 5 day timeframe.

In addition, Villa's Care Managers average caseload of 57 cases exceeded the maximum number (40) allowed by the County contract.

Villa needs to maintain documentation to support each service billed. Also, in instances where the referrals decline services, Villa needs to refer APS referrals back to APS within the required 5 day timeframe. In addition, Villa needs to provide program services within the timeframes required by the County contract and hire additional Care Managers so their caseloads do not exceed the contract maximum.

The details of our contract compliance review, along with the recommendations for corrective action, are included in the attached report.

Review of Report

On May 3, 2004, we discussed our report with Villa's Project Director. In their attached response, Villa stated they agree with our findings. In addition, we notified DCSS of the results of our review. DCSS will work with Villa and monitor them to ensure that areas of non-compliance disclosed in this report are resolved. DCSS will report to the Board of Supervisor within 60 days of this report on the outcome of their meeting with the contractor.

We thank Villa Esperanza for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:DR:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Department of Community and Senior Services
Cynthia Banks, Acting, Director
Laura Medina, Acting, Program Manager
Johnnie Walls, Director, Villa Esperanza
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT
INTEGRATED CARE MANAGEMENT PROGRAM
FISCAL YEAR 2003-04
VILLA ESPERANZA**

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether Villa provided the services billed in accordance with their Integrated Care Management (ICM) contract and to determine whether the program participants actually received these services.

Verification

We selected a sample of 1,276 (58%) service hours from a total of 2,214 service hours that Villa billed DCSS in November 2003, December 2003, and January 2004.

We reviewed 26 case files for documentation to support the participant's eligibility and provision of service. For client verification, we contacted 7 participants.

Results

The program participants stated that the services they receive from Villa meet their expectations. However, Villa billed DCSS for service hours that were undocumented and for services performed beyond the timeframe as required by the County contract. Specifically, we noted the following:

- Seven hundred twenty-two (57%) service hours that Villa billed DCSS were not supported with documentation. The client case files did not contain the required forms (e.g., Needs Assessment, Intake, etc.) to document Villa's provision of service. The total amount of undocumented service hours totaled \$28,880.
- Villa is required to refer cases back to APS within 5 days of the referral date, in instances where the referrals refuse services or Villa is unable to contact them. For the 3 (27%) of the 11 APS case referrals reviewed, Villa retained the cases an average of 38 days beyond the date in which the cases should have been referred back to APS. Villa indicated that they retained the case beyond the 5 day timeframe in order to encourage the individuals to accept assistance. Since APS referrals often involve individuals that need immediate attention, not referring the cases back to APS in a timely manner can impact the health and safety of the referrals.
- In 7 (27%) of the 26 cases reviewed, Villa completed their Home Assessments 6 working days after the 5 day timeframe required by the contract.

Recommendations**Villa Management:**

1. **Maintain documentation to support each hour billed to DCSS.**
2. **Ensure that Villa staff return APS referrals to APS within the required timeframes when Villa is unable to contact the clients or the clients refuse ICM services.**
3. **Ensure that all service hours are performed within the required timeframe as outlined in the County contract.**

STAFFING/CASELOAD LEVELS**Objective**

Determine whether Villa's Care Managers have a case load of 40 or less, as required by the County contract.

Verification

We interviewed Villa's four Care Managers and Program Director and obtained a listing of the Care Managers' caseload.

Results

Villa's 4 Care Managers maintain an average of 57 cases, which exceeds the maximum of 40 cases allowed by the County contract. According to Villa's Project Director the contracted staff members were unaware that they were exceeding the caseload requirement.

Recommendation

4. **Villa Esperanza management hire additional Care Managers so that their caseloads do not exceed 40 cases.**

STAFFING QUALIFICATIONS**Objective**

Determine whether Villa's staff meets the qualifications required by the County contract.

Verification

We interviewed Villa's staff who worked on the DCSS' contract. In addition, we reviewed each staff's personnel file for documentation to confirm their qualifications.

Results

All staff possess the educational and work experience qualifications required by the County contract.

Recommendations

There are no recommendations for this section.

SERVICE LEVELS**Objectives**

Determine whether Villa's reported services for Fiscal Year (FY) 2003-04 significantly varied from planned services levels.

Verification

We reviewed DCSS' invoices from July 2003 through January 2004 for actual service levels billed and compared them to Villa's proposed/budgeted service levels for the same period.

Results

Villa's actual service levels were 173% of planned service levels. For the first 7 months of Fiscal Year 2003-04, the Agency's planned service level was 2,314 hours. The actual service level reported by Villa during this time period was 4,004 hours. However, as previously noted, Villa often did not have documentation to support the reported services.

Recommendations

There are no recommendations for this section.



July 6, 2004

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To: J. Tyler McCauley

From: Johnnie Wall, Project Director

Re: Corrective Action for Villa Esperanza Services Integrated Care Management.

I would like to thank the L.A. County Supervisors for the "Auditor-Controller's Centralized Contract Monitor Pilot Project." The review by your staff members (Pamela Hubbard and Mary Ann Murato) was thorough and was conducted in a professional manner that provided clarification on certain practices (Specifically, regarding Adult Protective Services referrals and Interagency Coordination Services). However, in the Auditors finding regarding the Care Managers, caseloads exceeding the maximum number (40) allowed by the County contract, we have hired additional staff to provide supervision, support and training to staff managing large and diverse caseloads. In addition, staff will be monitored closely by management to ensure the following: cases are reviewed regularly for closure, caseloads do not exceed number allowed by county, documentation of all services provided is maintained and entered appropriately in client case files, referrals will be returned to Adult Protective Services to follow up if client refused ICM service and after the Case Manager has made several attempts to contact clients to schedule home assessment within five days of receiving the referral.

CORRECTIVE ACTION:

As a result of this review, in general VES agrees with the findings and will secure from henceforth, the integrity of its program by addressing those areas that were considered, questionable. VES accepts the recommendations made by the Auditor Review team which include:

- Maintain documentation to support each hour billed to DCSS.
- Ensure that Villa Staff returns APS referrals to APS within the required timeframes when Villa is unable to contract clients or the clients refuse ICM services.
- Ensure that all services are performed within the required timeframe as outlined in the County Contract.
- VES management hire Additional Care Managers so that their caseload do not exceed 40 cases.

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The time by which the above will be achieved is immediately as we have already begun making the necessary corrections.

In closing, this audit experience was quite extensive and sometimes very challenging. The comprehensive review, from Auditor-Controller's Department working together with Department of Community and Senior Services can only support and enhance the delivery of services to clients and assist contractors to continue providing quality programs that meet contractual obligations.

VES is very pleased we were in full compliance in most all areas of our program. We welcome technical assistance, support, training, from Department of Community and Senior Services working together with the Auditor-Controller's Department.

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